

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS                    )  
ADJUSTMENT FILING OF ATMOS                    ) CASE NO. 2007-00426  
ENERGY CORPORATION                                )

O R D E R

On July 31, 2007, in Case No. 2006-00464,<sup>1</sup> the Commission approved rates for Atmos Energy Corporation (“Atmos”) and provided for their further adjustment in accordance with Atmos’s Gas Cost Adjustment (“GCA”) clause.

On September 28, 2007, Atmos filed its proposed GCA to be effective November 1, 2007.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Atmos's notice includes revised rates designed to pass on to its sales customers its expected change in wholesale gas costs.
2. Atmos’s Expected Gas Cost (“EGC”) for firm sales customers is \$9.7041 per Mcf, an increase of \$.0354 per Mcf from the previous EGC of \$9.6687. Atmos's EGC for both High Load Factor (“HLF”) firm customers and interruptible sales customers is \$8.8362 per Mcf, an increase of \$.0354 per Mcf from the previous EGC of \$8.8008.

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<sup>1</sup> Case No. 2006-00464, Application of Atmos Energy Corporation for an Adjustment of Rates.

3. Atmos's notice sets out no current period Refund Factor ("RF"). The total RF is \$0 per Mcf for firm sales customers and HLF firm customers, and \$0 per Mcf for interruptible sales customers, and represents an increase of \$.0554 from the prior RF. Atmos's notice sets out no RF for T-2 firm transportation customers or for T-2 interruptible transportation customers.

4. Atmos's notice sets out a Correction Factor ("CF") of (\$.3650) per Mcf, which is a decrease of \$.3536 per Mcf from the previous CF.

5. Atmos's notice sets out a Performance Based Rate Recovery Factor of \$.0501 per Mcf, which is effective from February 1, 2007 until February 1, 2008.

6. Atmos's GCAs are \$9.3892 per Mcf for firm sales customers and \$8.5213 per Mcf for HLF firm customers and for interruptible sales customers. The impact on firm sales customers is a decrease of \$.2628 per Mcf from the previous GCA of \$9.6520. The impact on HLF firm customers is a decrease of \$.2628 per Mcf from the previous GCA of \$8.7841, and the impact on interruptible sales customers is a decrease of \$.2628 per Mcf from the previous GCA of \$8.7841.

7. The rates in the Appendix, attached hereto and incorporated herein, are fair, just and reasonable, and should be approved for final meter readings by Atmos on and after November 1, 2007.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are approved for final meter readings on and after November 1, 2007.

2. Within 20 days of the date of this Order, Atmos shall file with the Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 31<sup>st</sup> day of October, 2007.

By the Commission

ATTEST:

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the end, positioned above the text 'Executive Director'.

Executive Director

## APPENDIX

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2007-00426 DATED October 31, 2007

The following rates and charges are prescribed for the customers in the area served by Atmos Energy Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

#### RATES:

Applicable to: General Sales Service Rate G-1

#### Gas Cost Adjustment

To each bill rendered under the above-named rate schedules there shall be added an amount equal to: \$9.3892 per Mcf of gas used during the billing period.

Applicable to: HLF General Sales Service

#### Gas Cost Adjustment

To each bill rendered under the above-named rate schedules there shall be added an amount equal to: \$8.5213 per Mcf of gas used during the billing period.

Applicable to: Interruptible Sales Service Rate G-2

#### Gas Cost Adjustment

To each bill rendered under the above-named rate schedules there shall be added an amount equal to: \$8.5213 per Mcf of gas used during the billing period.